

286.8-220 Prohibited acts.

- (1) It shall be unlawful for any person to make or cause to be made, in any document filed with the executive director or in any proceeding under this subtitle, any statement which is, at the time and in light of the circumstances under which it is made, false or misleading in any material respect.
- (2) It shall be unlawful for any mortgage loan company or mortgage loan broker, in connection with the operation of a mortgage loan business or the management or servicing of mortgage contracts, directly or indirectly:
 - (a) To employ a device, scheme, or artifice to defraud;
 - (b) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person;
 - (c) To fail to disburse funds in accordance with a loan commitment;
 - (d) To delay closing of any mortgage loan for the purpose of increasing interest, costs, fees, or charges payable by the borrower;
 - (e) Upon receipt of a customer's written request, to delay beyond five (5) business days the issuance of a written loan payoff amount or to delay beyond ten (10) business days the issuance of a payment history; or
 - (f) To charge a fee for the issuance of an initial written loan payoff amount or payment history for each calendar quarter as set out in paragraph (e) of this subsection.
- (3) Unless exempted by KRS 286.8-020, and, if required by KRS 286.8-020(3) to file a claim of exemption, has filed a claim of exemption and the filed claim of exemption has been allowed by the executive director, it shall be unlawful for any person to transact any mortgage loan business in this state unless it:
 - (a) Qualifies to do business in Kentucky as required by KRS Chapter 271B; and
 - (b) Complies with the provisions of this subtitle.

Effective: July 12, 2006

History: Amended 2006 Ky. Acts ch. 218, sec. 6, effective July 12, 2006. -- Amended 2001 Ky. Acts ch. 98, sec. 3, effective June 21, 2001. -- Amended 1998 Ky. Acts ch. 197, sec. 15, effective July 15, 1998. -- Amended 1994 Ky. Acts ch. 377, sec. 3, effective July 15, 1994. -- Amended 1986 Ky. Acts ch. 461, sec. 19, effective July 15, 1986. -- Created 1980 Ky. Acts ch. 365, sec. 23, effective July 15, 1980.

Formerly codified as KRS 294.220.

Legislative Research Commission Note (7/12/2006). This section was amended in 2006 Ky. Acts ch. 218. In that same session, 2006 Ky. Acts ch. 247, sec. 38, required that all sections of KRS Chapters 287, 288, 290, 291, 294, 366, 366A, and 368 be renumbered as sections of a single KRS chapter entitled the "Kentucky Financial Services Code." Therefore, the Statute Reviser, acting under KRS 7.136(1), has changed the number of this section and codified it as a section of KRS Chapter 286. In addition, KRS references have been adjusted to conform with the renumbering.

Legislative Research Commission Note (6/20/2005). 2005 Ky. Acts chs. 11, 85, 95, 97, 98, 99, 123, and 181 instruct the Reviser of Statutes to correct statutory references to agencies and officers whose names have been changed in 2005 legislation confirming the reorganization of the executive branch. Such a correction has been made in this section.

Legislative Research Commission Note. As of January 1, 1989, KRS ch. 271A. becomes KRS ch. 271B. Therefore, the reference in subdivision (3)(a) of this section to KRS ch. 271A has been changed to KRS ch. 271B.